

**STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

**Before the Commissioner of the Office of Financial and Insurance Services**

**In the matter of:**

**CRK & Associates, Inc.  
6098 Village Court  
Clarkston, Michigan 48346**

**Enforcement Case No. 05-3947**

**Respondent**

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**Issued and entered  
On February 9, 2006  
by Linda A. Watters  
Commissioner**

**CONSENT ORDER**

**I.  
BACKGROUND**

Kennedy Mortgage Inc. ("Kennedy Mortgage"), is a Michigan domiciled corporation, organized under the laws of the State of Michigan, that has made application for licensure as a mortgage broker under the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), Act No. 173 of 1987, as amended, MCL 445.1651 *et seq.* Charles Kennedy is the Vice President of Kennedy Mortgage and the sole owner of CRK & Associates, Inc. (Respondent). Respondent is not presently licensed by the Office of Financial and Insurance Services ("OFIS") pursuant to the MBLSLA or any other consumer finance statute regulated by OFIS. In reviewing Kennedy Mortgage's application, OFIS staff determined that Respondent was already conducting mortgage-

related activities, which require licensure as a mortgage broker under the MBLSLA. Respondent and OFIS staff have conferred and have agreed to resolve this matter according to the terms set forth below.

## **II. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. In June 2004, Charles Kennedy became employed as a loan officer with licensee, Premier Mortgage Funding, Inc. (“Premier Mortgage”), license no. FL-3150.

2. Charles Kennedy is the sole owner of CRK & Associates, Inc., which was formed by Mr. Kennedy on November 21, 2002.

3. During Charles Kennedy’s employment with Premiere Mortgage, Mr. Kennedy received partial compensation in the amount of \$50.00 per month for loans originated on behalf of Premiere Mortgage, Mr. Kennedy’s remaining income was remunerated to CRK & Associates, Inc., which is neither licensed, registered nor exempt under the MBLSLA, and consequently is in violation of Sections (2)(1) and (2)(3) of the MBLSLA.

4. Section 2(1) of the MBLSLA prohibits a person from acting as a mortgage broker,  
mortgage lender, or mortgage servicer without first obtaining a license or registration.

5. Section 2(3) of the MBLSLA prohibits a residential mortgage loan originator (also known as a loan officer) from receiving directly or indirectly any compensation, commission, fee, points or other remuneration from a mortgage broker, mortgage lender, or mortgage servicer other than his/her employer.

6. Respondent conducted first lien mortgage business without the requisite license or registration certificate required under Section 2(1) of the MBLSLA.

### **III. ORDER**

There it is ORDERED that:

1. Respondent and Charles Kennedy its sole owner shall cease and desist violating sections 2(1) and 2(3) of the MBLSLA.
2. Charles Kennedy shall pay to OFIS an applicable civil penalty of \$500.00.
3. Charles Kennedy, as Vice President of Kennedy Mortgage, shall establish and maintain a program to monitor and ensure compliance with all state and federal consumer laws and regulations relating to all mortgage activity.
4. Charles Kennedy, as Vice President of Kennedy Mortgage, shall educate himself and all employees of Kennedy Mortgage with respect to all state and federal consumer laws and regulations, including the Mortgage Brokers, Lenders, and Servicers Licensing Act.
5. Charles Kennedy shall review and ensure that Kennedy Mortgage complies with the OFIS Consumer Finance Bulletin No. 2003-09-CF, posted on the OFIS website, which clarifies OFIS' position on employees and branch offices in Michigan.
6. Charles Kennedy, as Vice President of Kennedy Mortgage, shall immediately designate a compliance officer for Kennedy Mortgage, and provide written notification to OFIS of the compliance officer's name and business address, to ensure that Kennedy Mortgage is in compliance with all applicable state and federal laws. Mr. Kennedy's written notice designating a compliance officer shall accompany Respondent's payment of a civil fine as provided for in Paragraph 2 of this Order. Mr. Kennedy, as Vice

President of Kennedy Mortgage, shall notify the Office of Financial and Insurance Services of any change in designation of the compliance officer within 30 days of such re-designation.

The Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary and appropriate in accordance with the provisions of the MBLSLA. Failure by Respondent, Kennedy Mortgage Inc. and Charles Kennedy to abide by the terms and provisions of this Order may result in the commencement of additional proceedings.

A handwritten signature in black ink, reading "Linda A. Watters", followed by a horizontal line.

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**Linda A. Watters**  
**Commissioner**